

THE REPUBLIC OF RWANDA



MINISTRY OF LOCAL GOVERNMENT  
AND SOCIAL AFFAIRS  
B.P. 3445 – KIGALI

COMMUNITY DEVELOPMENT POLICY  
(Translation from French)

Second Edition  
November 2001

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## **Preface**

The Ministry of Local Government and social affairs was created in February 1999. It had among other tasks, to conceive and implement the national policy of decentralisation with the objective of bringing the population to participate in the policy and decision making process.

After it's designing, the national policy of decentralisation was adopted in May 2000. For its implementation, other support policies were drafted such as the Community Development Policy and the Fiscal Decentralisation Policy, which were adopted by the Cabinet in March 2001.

The community development policy was conceived in a participative manner by including different actors involved in the country's development. This included donors, civil society, private sector, institutions of higher learning, and individuals involved in development work in Rwanda.

The objective of that policy is to entrench the national policy of decentralisation by providing ways and means to ensure effective and sustainable participation of the community in its development geared towards poverty reduction. In other words, the policy is an inter-active and dynamic process of socio-economic action according to which members of the Rwandan community will:

- Analyse their environment;
- Define their individual and collective needs and problems;
- Design individual and collective plans to meet their needs and solve their problems;
- Implement those plans by drawing from the resources of the community;
- Add to those resources if necessary, with services and materials from government or private organs and outside the community;
- Monitor and evaluate the implementation of the plans;

Strategies developed in the policy are the following:

- Setting up a management system involving the community in its development;
- Arouse the emergence of organisational dynamism;
- Setting up a network of collecting and circulating information adapted to rural environment;
- Raising production through the improvement of resources' productivity;
- Creating funds of community development and a rigorous financial management system involving the beneficiary for more transparency;
- Searching and setting up a micro-finance system adapted to Rwandan realities.

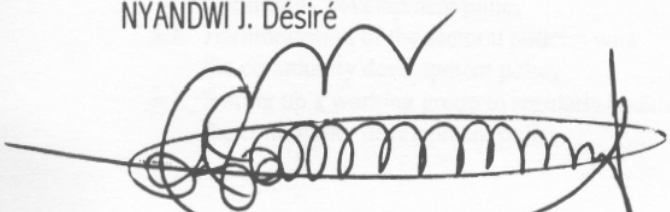
To ensure dynamism of the document, it could be continuously adapted in relation to the evolution of the national policy of decentralisation and mainly according to the level of appropriation of the decision taken by the population and local collectivities in all what is their interest. We thank all those who contributed to the designing of this policy, which is of great importance for harmonious development of the Rwandan people.

Our acknowledgements go in particular to friendly countries, national and international organisations and other partners of the Rwandan government in development, who contributed technically and financially to the designing of this document.

We call upon all partners to support this policy to comply with it in their daily activities as well as work towards its improvement.

Minister of Local Government and Social Affairs.

NYANDWI J. Désiré

A handwritten signature in black ink, featuring a series of loops and a long horizontal stroke, positioned below the printed name.

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## **1. *The Reference Framework***

### **1.1 Historical background**

The definition applied in this document is that which asserts that community development policy is a co-ordinated and systematic policy whose aim is to organise the global progress of a specific region, with the participation of the concerned population.

The Community Development Policy for Rwanda is designed in order to bring together stakeholders in development who operate at various Government levels and within grassroots structures (cells and sectors) to combine their efforts in order to enable members within those structures to live in harmony and have access to a better standard of living.

The improvement in the living conditions of the people can be depicted in the meaningful economic growth, reduction of poverty, strengthening the process of reconciliation and a wide participation of the people in public life.

Local Communities can and must play a leading role especially in reducing poverty and in the reconciliation process. The other institutions involved in development process should work in partnership with the local communities in order to attain the expected output for development community.

To do that each institution shall have to design proper procedures, which shall be harmonised to chart out common strategies for a common goal. These working procedures and common goal should allow the local communities access to information, knowledge and to other resources necessary for development and should stimulate their mind to innovations and entrepreneurship within grassroots structures.

The history of Rwanda shows that, much as the population is willing to work it has never been sufficiently involved in their own development. Throughout history, the people of Rwanda lived in harmony and had their own vision of community development.

The interaction with the outsiders was limited and the people based the development strategies on the exploitation of locally available resources using various collective methods of solving social economic problems they faced.

It was such a strong society with a hierarchy, structured in a coherent manner with organised leadership (top to bottom) which permitted vertical and horizontal consultations in the areas of socio-economic interests. The society was organised on the basis of national interests such as defence, agriculture, livestock arts and craft industry.

The consultation and collaboration existed in those areas but were not formalised. The colonisers exploited this structure and introduced a design for supervised development based on the establishment of socio-economic

infrastructure focusing mainly on foreign interests and supported by forced labour (growing of cash crops for export, building schools, churches, administrative building, roads, ... ). The people were only expected to implement without prior consultation.

The exposure of Rwanda to the outside world through the introduction of monetized economy, new religions and imported educational system have all contributed to the diminishing spirit of teamwork which characterised development model of the country. For example individual work or wage-earning replaced communal agricultural tasks "ubudehe", thus introducing an individualistic vision of development.

Since independence the country has inherited a politico-administrative structure which is highly hierarchical, centralised, and authoritarian. The "umuganda" introduced by the second republic was directed to political mobilisation rather than community development and thus excluded the participation of the population in the management process of their affairs.

This is the reason why all the achievements of the nation, over a long period of time were destroyed in 1994 by the population which regard them more as state-owned than theirs. During the same period, development plans were elaborated but unfilled and numerous projects of development conceived in this authoritarian frame were implemented without participation and had no durable impacts on communities.

However, it is important to mention some mitigated initiatives geared towards people's participation: one planned and initiated in Kibuye in 1985 which ended in the elaboration of communal development plans for Communes of Gitesi and Bwakira. Similarly the restructuring of the country into administrative units close to the people (cells) was a good initiative from which a good system of community development can benefit.

The publication in 1993 by INADES Formation and GTZ of the manual entitled "diagnostic participatif" was equally in the direction of encouraging people's participation. Though the authoritarian attitude still persists among some leaders. It is due to the behaviour embedded in our system of development which does not involve people in decision-making process, and this has led the beneficiaries into regarding the state as the provider of everything and they play the role of "wait and see".

The community has therefore, never had an opportunity to exercise its powers in decision making in the affairs concerning their own development. This situation of dependence was accentuated by humanitarian interventions during the emergency period, which followed the war and genocide.

To date, despite efforts made in the field of development in RWANDA for the last thirty years or so on, significant results can not be noticed. This can be attributed to the fact that the development was conceived more in terms of economic growth and less in terms of social development, with the results that

the development projects were so inappropriate that they left no sustainable positive effects on the population.

This unfortunate situation which has lasted for long, necessitates the nation to launch a reform that focuses on establishment of mechanisms that will ensure the participation of the population for in development process for its sustainability.

## **1.2. Towards sustainable community development.**

Sustainable community development means establishment of a community development system developed, owned, supported by all stakeholders.

The current resistance to innovation which is a roadblock to the spirit of entrepreneurship as well as partnership which characterises rural areas in Rwanda, largely emanates from their relations with authorities both in the past and at present. These relations take a form of a one-way system of communication from the centre representing the state, to the periphery where the population is. After deep analysis of the problem, our country adopted in May 2000, the policy of decentralisation and good governance. It is with the aim of trying to strengthen this decentralisation that its real engine, namely the present community development policy, is conceived.

It is important while elaborating the policy to bear in mind the strategic objectives of the national policy of decentralisation which are:

- 1) To enable and reactivate local people to participate in initiating, making, implementing and monitoring decisions and plans that concern them taking into consideration their local needs, priorities, capacities and resources by transferring power, authority and resources from central to local government and lower levels.
- 2) To strengthen accountability and transparency in RWANDA by making local leaders directly accountable to the communities they serve and by establishing a clear linkage between the taxes people pay and the services they finance.
- 3) Strengthen the sensitivity and the intervention capacity of the Public Administration to the local environment by placing the economic planning, the management and the control of the activities in the point where these services are supplied and by making the local leadership capable of developing the structures and the capacities of organisation which take into account the environment and the local needs.
- 4) To develop sustainable economic planning and management capacity at local levels that will serve as the driving motor for planning, mobilisation and implementation of social, political and economic development to alleviate poverty.
- 5) Strengthen the efficiency and the effectiveness of the services by moving the responsibility of the economic planning and the management of the



central government in the point where needs are felt and where the services are supplied.

Already the grassroots structures were put in place during the election of March-April 1999 and the population had demonstrated goodwill to manage them as their own.

Partners in development on their part, have started to favour a participatory approach and are willing to adopt that approach to development.

The willingness of donors to support this process is expressed more and more by the implementation of participative type of projects introduced through the country. It is in this frame, that in an experimental way, MINALOC has just implemented 16 projects since 1997 and other ministries are doing the same.

Some NGO's also use the participatory methodology in the conception, elaboration, implementation, monitoring and evaluation of the initiated projects. Particularly the project "Decentralisation and Participatory development" is worth mentioning as a pioneer in the policy of decentralisation in general and for the community development in particular.

Before the elections of March-April 1999 the above project and some stakeholders in development had initiated participation committees under the name of communal participatory committees or management committees. The preliminary results of these committees have led to the current option developed under this policy of CDC (Community Development Committees) which are composed of people elected by the population thus having people's trust.

The current level of development in Rwanda, where 65% of the population live below poverty line, demands a lot of input on the part of all the partners in development.

The other socio-economic indicators summarised in the chart below are equally disappointing. But whatever , the case may be, Rwanda's leadership has a firm conviction that with the option of the policy of Decentralisation and combined effort of all stakeholders in development, launched at the same time and in all corners of the country, development activities are conceived and implemented at the grassroots level, development shall be progressively attained.

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## Some Socio economic indicators of development in Rwanda

Year Indicators	Unity	1993	1994	1995	1996	1997	1998
GDP growth rate	%	-8.5	-49.9	34.4	15.8	12.9	9.6
Income per Capita	USD						251
Infant mortality rate	%				125	131	129
External Debt	USD						1.2bn
Prevalence of children with malnutrition	%				28		42.8
Life expectancy at birth: - Male - Female	year						48 50
Population with access to safe water	%				44		
Population with access to health care	%					80	
HIV positive per 100 adults	%					11.3	13.7
Adult literacy: -Male -Female	%				52 45		
Population density	Hab/Km <sup>2</sup>						303
Rate of needs satisfaction	%						64
Dependence ration on foreign aid: - Foreign aid -Foreign aid -Foreign aid -Foreign aid as	USD/capita  % of GDP % of invest % of importation of goods and services veneered						42.6 17.6 55.5 65.3
Literacy	% of population aged 15 and above					52	48.3
Rate of enrolment in (primary school)	%					80.1	
Human development index						0.295	0.382

Imports are 4.5 times the exports (1998).

**Source:**

- PNUD
  - Rwanda Human Development Report, 1999.
  - World report on human development, 2000
- Ministry of Finance and Economic Planning; division of Statistics (Rwanda, July 1999):
  - An approach to poverty reduction action plan for RWANDA
  - Vision on RWANDA in 2020

The current Policy of Community Development is envisaged in order to attempt to correct the following gaps observed today at the national level:

- ❑ Weak participation of the population in the development activities with consequences that, instead of the population taking, ownership of those development activities, they sometimes destroy them. *It's therefore: advisable to strengthen participation of the beneficiaries, as this will guarantee the mobilisation of local resources and the sustainability of development activities ;*
- ❑ Frictions between measures taken at the central level and those taken by the grassroots level. *(Measures taken at the central government level should always be reviewed in accordance with local experience)*
- ❑ Weak co-ordination and harmonisation of development activities. This lies at the core of incidental development and parachute projects that only benefit their designers as well as different approaches that are often contradictory. *Good development planning and harmonisation right from grassroots level will provide the necessary remedy for the situation;*
- ❑ Low capacity at all levels especially at Grassroots level. *It's imperative though costly, before anything else, to concentrate efforts in the strengthening of the human, material, and financial capacities at grassroots level;*
- ❑ Slow flow development activities.  
All the districts of the country in general, can only afford financing their day-to-day operations although this is even difficult for some districts to finance, especially the poor ones. In fact the study conducted by a team responsible for elaboration of fiscal decentralisation policy shows that Communes which collect relatively high revenues make substantial transfers to their development budget ranging from "16% to 38%" of collected revenue, whereas poor Communes make very low transfers to their development budget. This implies that some development activities undertaken are planned and funded from outside and even the related budgets are not part of the district budget. *It is therefore, important to envisage a long term development*

*financing system based on a loan which, when it is paid off well, can constitute a yet- significant indicator of sustainable development.*

- Due to mismanagement, very low percentage (15%) of the project funds reaches the beneficiary population whereas a good number of projects are loans to be repaid by the same population. *It is imperative to set up an effective management system involving the community in the management of development.*
- Poverty in the rural areas is very high: Food production decreases noticeably due to insufficient use of inputs and non-utilisation of micro-credits to produce and sell the products, given that rural areas are not monitored. *It would be necessary to look for ways and means of improvement of the productivity of our poor resources and to establish a financial system adapted to the Rwandan realities, favouring the activities of marketing.*
- Low participation of women and youth in development whereas they constitute a big percentage of the population of the country, and yet they are expected to be the most active section of the population. This policy gives them their due share.

## **2. Definition Of The Community Development.**

Development actions require the transformation of all or a part of the factors that have impact on a society. A development policy requires a conscience action on all major factors that affect the structure and the life of society. Two categories of measures are considered:

- Some measures are taken at the national level: government or a central organ of the public authorities takes them. They have as objective, reform structures (agricultural, industrial, commercial and financial), preparation and implementation of development programme, public investment, construction of national infrastructure, social legislation, creation of various institutions of all professions.
- The other measures are taken at grassroots level either by individuals, associations, or by local administrative units. These act as catalysts to business enterprises and both social and cultural groups which are the foundation of development, thereby creating positive attitude and behaviour favourable to development, introducing and spreading technical innovations, mobilising the manpower and promoting savings.

Very often, the human factor has a major role to play. These last measures pave the way to the local realities and will influence the national policy-making within the framework of decentralisation.

The two measures are complementary and inseparable and must absolutely take into consideration the external factors especially the globalisation phenomenon.

There are various ways to define community development but all definitions have something fundamental in common, which is the support of the population. Though it is not an easy task, it is a very important aspect whatever the socio-economic level of development of the country may be.

The following definition seems to be the most complete and is used to define community development in our case:

**" Community Development is a co-ordinated and systematic policy whose aim is to organise the global progress of a specific region, with the participation of the concerned population ". by R. REZOHAZY in "Manuel de développement communautaire. Université Catholique de Louvain".**

**"A co-ordinated and systematic policy"** refers to an action which pursues specific objectives determined within a given time frame, provides means and tools, arranges measures to be taken in a successive manner, conceived, elaborated and implemented under the guidance of qualified people.

Today, man no longer wants to tolerate a development guided by blind and scattered initiatives that are often contradictory. He wants to be a master of his development.

**"Organise the global progress"** means to be in charge of transformation of all-important aspects of the socio-economic life. Some experts tend to limit their understanding of community development to material aspects: the organisation of technological progress, increasing outputs, increasing revenues and search for efficiency.

Others tend to limit their understanding of community development to the socio-cultural aspects: resolution of community conflicts, adapting the population to change, integrate to national life, educate it and provide it with health care services.

However, all these aspects are complementary. If some aspects are taken into consideration disregarding others, those disregarded aspects may hinder progress and may even compromise the whole action. Therefore, integrated actions should be carried out.

**"A specified region"** forms the united action. A region: an area which constitutes an environment of life in the geographic, economic and social point of view. The inhabitants of the region are considered as a community. The territorial community is a natural united action, because it is possible to have a direct drive on all the factors of the development and because the inhabitants who live there have numerous common public interests.

**"The participation of the concerned population"** in the development work, is at the centre. It constitutes the basis of the approach. The participation develops progressively.

First of all, the population must wake up to be aware of its problems (in Rwanda an effort should be made in this respect owing to its experience it has had over the successive centralist regimes).

In community development, it is essential to attach value to knowledge and skills of the population by taking them into consideration while making decisions. As long as the population does not articulate its problems correctly and appreciate those problems, the development process will be impossible.

The population should afterwards be able to define their problems. Then, the population must design and specify solutions taking into considerations the identified local potentialities. Initiatives would thereafter come from the population themselves to translate these ideas into actions.

Lastly, members of the community must contribute in person to the success of the action undertaken by the community in order to ensure ownership. In this way it will be possible to avoid the bitter experience witnessed during genocide of 1994, where infrastructure and other community assets were destroyed.

It should be noted here that certain donors or institutions exacerbate these problems of not appropriating the community by placing signboards putting them on the first place instead of the beneficiaries, and thus preventing a real appropriation of development activities.

The successive stages of participation can not be achieved solely by the efforts of the population. An organisation and specialists in Community Development are necessary to play the role of catalyst.

They also help in raising awareness of the population evolving ideas, creating necessary conditions for a dynamic attitude, and in facilitating the emergence of community leaders and enabling creation of economic, social and educational institutions which respond to the needs.

In other words community development is a dynamic process of socio-economic activities in which members of a given community:

- Analyse their environment
- Define their needs, problems both individual and common
- Elaborate collective and individual plans to answer their needs and resolve their problems.
- Implement those plans by using community resources at most.
- Compliment those resources where necessary with services and materials provided by government or private organisations outside their community.
- Estimate the execution of these plans

The above analysis shows clearly that our country has not yet grasped the policy of community development . That is why the following objective and principles have been put in place:

### **3. *The Objective And Principles Of Community Development Policy.***

Community Development Policy must be designed in such a way that projects should be implemented under supervision of the communities and generate durable impact on the improvement the standards of living of the communities (settlements of families with common standards). In order for the projects aimed at poverty alleviation to be meaningful and have a tangible impact they should originate from the members of the communities themselves.

Therefore, we need leaders who are change agents, able to awaken the desire to participate in the process of change on behalf of the other members of the community.

Such leaders can be categorised in two groups:

- ❑ The group of those who should create an environment favourable to the development. Those are basic structures which conceive the plans of development and which mobilise the internal and outside resources necessary for the realisation of the projects
- ❑ The group of those who, within the community, realise concretely the projects. Those are individuals or groups of entrepreneurs who want to do a supplementary effort and to produce a change within the community by launching development sites.

The time for emergence (relief distribution) in country is over and its high time to be developed a policy based first of all on our local resources. Community Development is not directly targeted at destitutes but at all who can produce something given some input. But these destitutes shall be taken into consideration by the social policy, which shall be hinged on the responsibility of the productive community to them.

The local governments, through their community, should identify the vulnerable and destitutes using social indicators provided by the Ministry responsible for Social Affairs and to locally design mechanisms of taking care of them; considering the available resources and bearing in mind that external support is a mere supplement.

The mere fact of opting for Decentralisation shall not by itself ensure that the population effectively participates in its development which the ultimate goal of a good policy of decentralisation and good governance.

It is important to set up mechanisms reassuring the participation of the population especially in a country like Rwanda where the community, which constitutes the base of community development, is rather sceptic because in the past, it was not fully involved in its development.

When the community development policy is carried out adequately, the population will no longer be affected by the country's problems, of which

poverty is the most serious one. For this reason the proposed solutions will be thoroughly studied and refined at grass root level, thus ensuring sustainability.

The solutions for the reduction of poverty as proposed in the documents "Vision on Rwanda in 2020" and "Strategic Programme for the Reduction of Poverty" are the following:

- ❑ An efficient state with efficient and transparent public services, with sufficient capacity to formulate and implement policies to reinforce the capacities and the power of the people. This will lead to good governance and the population's participation in its own development;
- ❑ Modernisation of agriculture leading to the transformation of Rwanda's rural economy and subsequently integrating it in other economic sectors.
- ❑ Development of industry and a service sector oriented towards substitution of costly mass consumption products and attracting and encouraging local and foreign investors, which can rely on qualified manpower;
- ❑ Promotion and development of a business middle class and entrepreneurship;
- ❑ Enter into regional and global commerce and economic integration in which Rwanda has a particular crenel.

It becomes evident that people's participation in its own development - as the key element of community development - is the main solution on which all the other solutions rely in fighting poverty in a comprehensive way. The above mentioned objective should be aimed at this scope by the community development policy.

### **The main objective**

Allow the implanting of the national policy of decentralisation by suggesting ways and means assuring the actual and durable participation of the community in its own development focused on poverty reduction.

### **Basic principles**

The following principles shall guide this policy of community development:

- The community at grassroots level is the pillar of a durable development and its effective participation is paramount.
- With respect to the participation principles, investment should be made into projects that benefit a large part of population, enhance revenue generation and creates employment opportunities.
- Investment should first of all, target the primary sector (agriculture. livestock... ) for purposes of production and then into the distribution and processing sectors (trade, transport, small scale industries..). It's



important to mention here that in 1998 the gross production according to sectors revealed 40% in agriculture, 21% in the industry, 12% in trade, 7% in the administration, 5% in the transport and 15% for other services (source: Rwanda Human Development Report, 1999)

- Very Little gratuitousness should be foreseen to individual projects or community groups at the grassroots level (CBOs). Gratuitousness is only acceptable to the vulnerable groups in the form of start-up funds aimed at assisting them come out of the situation of vulnerability.
- The national infrastructure projects (trunk roads, airport..) shall be managed by Central Government. All other projects shall be managed, supervised and controlled at the level of local governments. Even in these projects of national scope, the local governments concerned by these projects should be implied and collaboration contracts envisaged to imply the local population and thus make sure the sustainability of already begun actions is achieved.
- In the first place emphasis will be put on reliance on own resources in form of human energies, the know-how and the local skills, cultural endowment and natural resources of the areas.

#### **4. *Strategic Actions Of The Community Development Policy.***

With reference to the objective and principles mentioned above, this chapter shall highlight the following strategic actions:

1. Setting up a management system which involves the communities and make them responsible for their development.
2. Encouraging - emergence of organisational dynamic.
3. Setting up a network for collection and circulation of functional necessary information.
4. Increasing production through improvement of productivity of the available resources.
5. Setting up a community development fund and insuring rigorous financial management including the profitable population for more transparency.
6. Searching and setting up a system of micro financing adopted to the realities of Rwanda.

#### **Elaboration of strategic actions**

##### **4.1. Setting up a management system which involves the communities and make them responsible for their development.**

The communities at the grassroots levels must be the pillar of sustainable development. In order to do this there's need to put in place mechanisms to

ensure that they are involved and allowed to manage their affairs in the development process. It's with such understanding that this chapter clearly bring out the role of each actor in the development process and their relationship, to avoid the ambiguities which under rate or ignore the important role played by the communities at the grassroot levels in sustainable development.

It's in this respect that the grassroots administration structures were put in place by the presidential decree n°3/01 of 23<sup>rd</sup>/12/1998 which created the councils, executive committees for cells and sectors. These are the structures that are currently responsible for leadership of sectors and cells.

For purposes of effective involvement of the population in their development activities the ministerial regulation n° 22/07.04./1 and 31/3/1999 provides the details of how to enforce the presidential decree mentioned above.

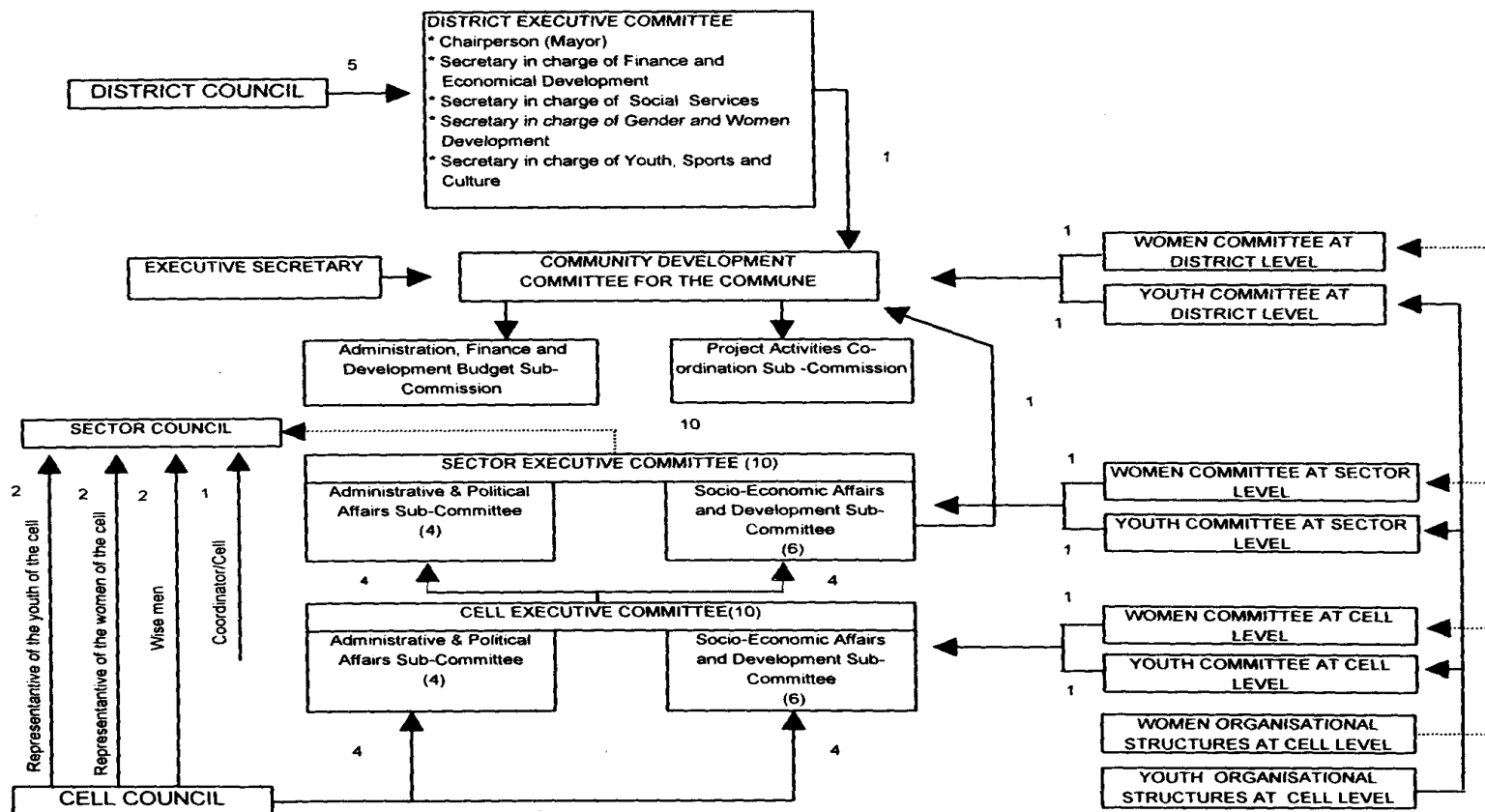
The executive committee comprises of two sub committees, which are P.A.C. (Politico-Administrative Committee), and the CDC (Community Development Committee).

Furthermore, the capacities of these grassroots structures are being strengthened by participatory projects, which cover a great number of districts in the country. Experience from these pilot projects which use the participatory methods, act according to the presidential decree and ministerial regulations as mentioned above that an emphasis should be put on research of means, ways and mechanisms to allow good functioning of grassroots structures.

These have to respect and facilitate community space management that is often required to operate even beyond administrative subdivisions: for instance a marshland located between three administrative sectors can be exploited by a group of farmers from the three sectors.

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Additionally in the above-mentioned ministerial instruction and considering the experience on the ground, the composition of the CDC at the district level, city and town will be widened to the other actors of development of the district and urban area for more efficiency. It so consists:

- The Secretary in charge of finance and economic development, the chairperson;
- The district urban area executive secretary;
- The chairpersons of CDC at sector level;
- The women representatives at district and urban area level
- The youth representatives at district level
- Representatives of other actors in development at district or urban area level.

At the level of a big city consisted of districts and/or cities, the CDC consists of:

- The secretary in charge of finances and economic development, president;
- The executive secretary of the big city;
- Presidents of the CDC of districts and/or cities composing the big city;
- The representative of the organizational structures of the women at the level of the big city;
- The representative of the organizational structures of the young people at the level of the big city;
- Representatives of the other actors of the development of the big city.

Considering the priorities, the district, and urban area council will every year clarify the actors in development who are part of the CDC.

For its functioning, the CDC at district level is sub-divided into two sub committees:

- The sub-committee in charge of co-ordinating the development project activities of the district and urban area.
- The sub-committee in charge of administrative and finance follow up of the district and urban area development projects.

The CDC is meant to correct the bad habit of non-participation and non-availability of the people, which characterised the former structures in charge of development at district level such as the development council and the technical committees.

After making analysis on district level, it was noticed that they were made of resource persons who were not available for the district development because of different reasons like being far away from their jobs which would not allow them to be available. Sometimes they were not feeling concerned for the development of their district.

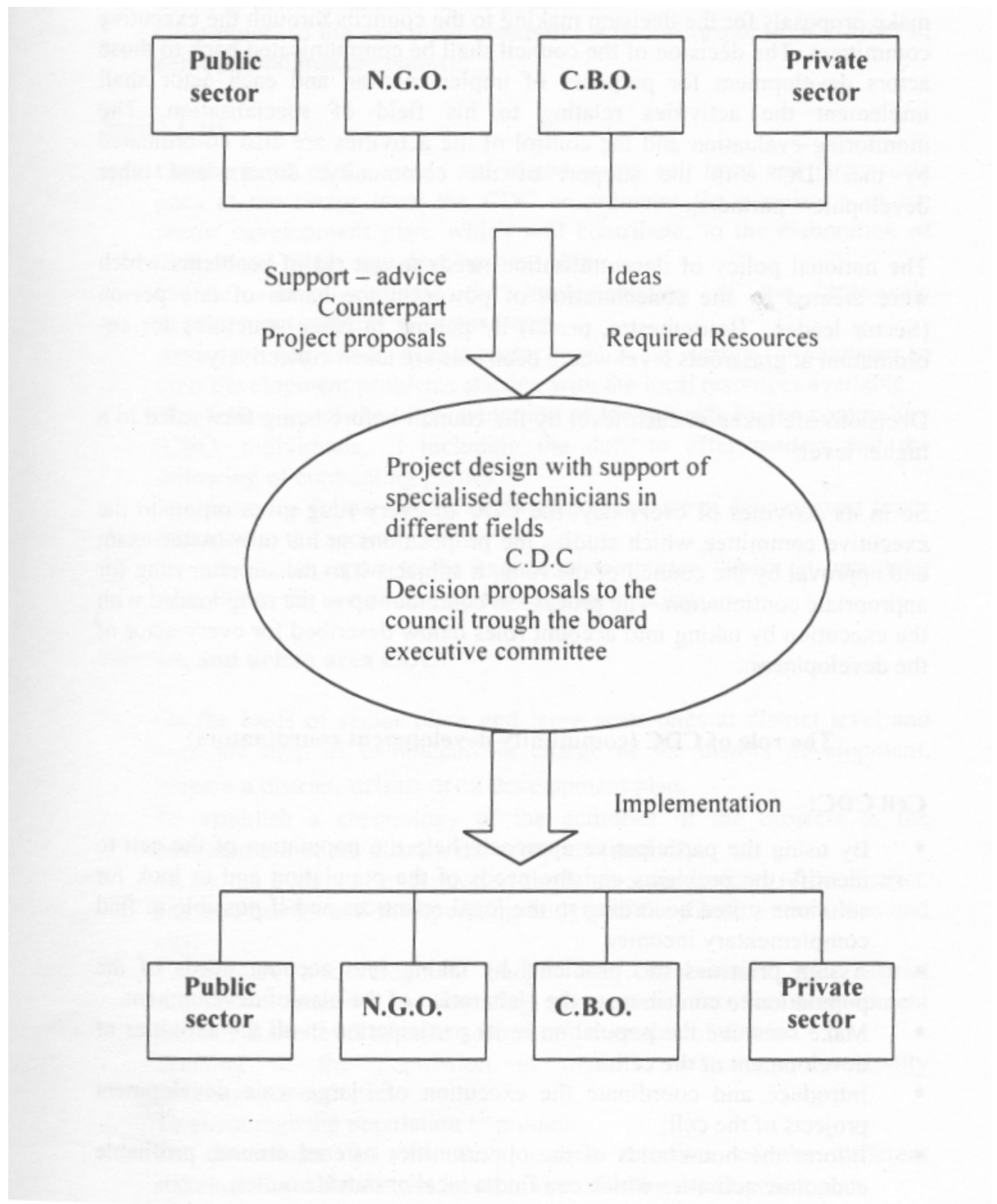
Indeed, the communal development councils were established.

- Sector Councillors who were too busy with their personal commitments.
- Members of technical committees who are mainly intellectuals, majority of whom are far away from their jobs.
- Heads of departments at district level who were technicians and depended directly on their districts instead of depending on the mother Ministries.

#### **4.1.1. Clarifying role of different actors in community development and how they relate to each other.**

Development Committees (CDC) are technical coordinators of the community development. This however, does not imply that they replace technicians and other actors in development (NGOs, CBO, Private Sector, etc.) who are specialised in one field or the other, but they serve as a core in co-ordination of all development activities.

The following highlights the interrelations among the various actors of the community development.



Different actors in development should be obliged to channel their ideas, support ideas, support advice, assistance, project proposals and resources to the CDC which shall in collaboration with those actors, develop them and make proposals for the decision making to the councils through the executive committees. The decision of the council shall be communicated back to those actors development for purposes of implementation and each actor shall implement the activities relating to his field of specialisation. The monitoring-evaluation and the control of the activities are also co-ordinated by the CDC with the support of the community, donors and other development partners.

The national policy of decentralisation needs to get rid of problems which were created by the concentration of power in the hands of one person (Sector leader, Bourgmestre, prefet) by putting in place structures for coordination at grassroots level where decisions are taken collectively.

Decisions are taken at each level by the council before being forwarded to a higher level.

So in its activities of every day, the CDC of every rung gives report to the executive committee which studies the propositions in his turn. After exam and approval by the council of the rung, it subjects it to the superior rung for appropriate continuation. The process so continues up to the rung loaded with the execution by taking into account roles below described for every actor of the development..

### **The role of CDC (community development coordinators)**

#### **Cell CDC:**

- By using the participative approach, help the population of the cell to identify the problems and the needs of the population and to look for solutions suited according to the local resources and if possible to find complementary incomes.
- Assign priorities to problems by taking into account needs of the population to contribute to the elaboration of the plan of development.
- Make sensitive the population in its participation in all the activities of development of the cell;
- Introduce and coordinate the execution of large-scale development projects of the cell;
- Inform the households of the opportunities offered around: profitable economic activities which can find a local or outside outlet;

- Oversee the use of the development budget of the cell which integrates the community fund assigned to the cell and the rates of the various partners who work for the development of the cell:
- Serve as moral guarantee to the population;
- Give report to the executive committee which is responsible in front of cell decision making council.

### **Sector CDC**

- On the basis of the needs articulated at the cell level and large scale ones at the sector level the CDC co-ordinates the population of the sector development plan, which will contribute, to the elaboration of district and urban area development plan.
- Initiate and co-ordinate the implementation of the large-scale development projects at Sector Level.
- Assist the population in that sector level in the search for solutions to their development problems starting with the local resources available.
- The follow-up of the implementation of the projects by the community (CBO, individuals,...) including the duty to offer tenders and the following of contracting parties.
- To ensure the follow-up and evaluation of the use of development funds allocated to the sector.
- To submit the report to the executive committee, which in turn must submit it to the sector council for decision-making.

### **District, and urban area CDC:**

- On the basis of sector plans and large scale ones at district level and with the help of technicians in charge of the district development, prepare a district, urban area development plan.
- To establish a chronology of the activities of the projects of the development of the district, the urban area and city,
- To fix the budget of execution of the large-scale projects of the district, city and quotes and the operating budget of the district, urban area and city.
- To prepare a development budget and collaboration with district accountant establish a financing programme for the development projects at the level of cells, sectors and even that of district.
- Training of the population in matters concerning community development activities.
- To encourage the population to produce.
- To co-ordinate all the development activities of the different stakeholders at the district level, in line with the development plan.



- To be answerable to the executive committee which respect must in turn be answerable to the district council with performance in technical, financial, environmental and social affairs relating to the projects which have been financed.
- To report, via the executive committee of the district or urban area, to the central government and to the financiers of the financial status of the fund of community development, the progress of the activities of the projects as well as programs of maintenance of the realised physical investments.

### **Role of the technicians of district, urban area, city and the province in community development**

In their respective fields, the technicians have the responsibility:

- To provide technical support in the field of expertise, to the grassroots structure and the population in general with a particular emphasis on CBO.
- To provide with particular emphasis on the CBO advice and to work together with the grassroots structures in the conception, elaboration, implementation, follow-up evaluation of the community projects and generally in planning process.
- To collaborate with the research institutions and generate technological innovations suitable for the region.
- To provide information to the grassroots structures relating to the quality standards set by central government and to that they are respected.

### **The Role of Grassroots Community Groups (CBO) in community development Affairs.**

- Implement Income Generating Projects and social infrastructures.
- To promote marketing of local products.

### **The Role of Local Governments (Districts, urban area and cities ) in Community Development Affairs.**

- To make sure that the population is informed of laws regulations and the general policy of the central government.
- To set up systems management at the local level, facilitating the follow up and monitoring of the standard rules and procedures drawn by central government.

- To make suggestions on how to review and adjust the National community development policy considering the experience the field.
- To define and co-ordinate the implementation of the inter district projects a district (a district may associate itself with one or several other districts to accomplish a common project).
- To facilitate exchanges and dialogue among different partners in the development of the district (technicians, private sector, NGO's, CDC, GCB) by encouraging the establishment of horizontal technical committees.
- To mobilise local resources and those provided by other partners at national level.
- To enact by-laws that encourage community participation and promotes the spirit of initiative at local level (registration of NGO's, support to the private sector and create an atmosphere of open market competition) in accordance with the national laws.
- To put in place all the endeavours in the search of partnership with other local governments in the country and establish twinning relationship with outsiders in order to carry out programmes and projects relating decentralised co-operation.
- To make the follow-up of the implementation of the development budget.

### **Role of the Province in Community Development Affairs.**

With the exception of the responsibilities which will remain in the hands of the central government (foreign affairs, national security, international trade, financial regulations and national banking ...) all the other responsibilities relating to public affairs and development which are under the control of the state shall be decentralised to the local governments, private sector, and the grassroots communities. Decentralisation shall be implemented in various stages.

- First of all, there will be **deconcentration** then **delegation** of the transferable technical and administrative responsibilities at the provincial level. During this phase, provinces shall be administratively modified to become centres of the regional co-ordination.
- Thereafter when the capacities at district and urban area level shall have been sufficiently developed there will be **devolution** of responsibilities from provinces to the districts, private sector and the civil society. In the long run the districts and urban areas shall develop into real local governments and the regional centres shall be phased out.

During this transitional phase, the new regional structures (Intara) shall have the following responsibilities:

- To contribute to the creation and strengthening of capacity at local government level.
- To facilitate the process of deconcentration, delegation and thereafter devolution of technical services from central government to the districts and urban areas.
- To promote community development and to encourage the emergence of private sector and civil society.

#### **Role of Central Government in the Community Development Affairs:**

- To design and make adjustments taking into account the experiences at the grassroots level, the sectoral policies of technical ministries in conformity with the national policy of decentralisation and disseminate them countrywide.
- To establish and make countrywide dissemination of quality standards, rules and procedures.
- To follow-up and assist local governments through gradual transfers of responsibilities and human, material and financial resources.
- To follow-up and ensure the implementation of the policies, strategies and strengthening the capacities of the structures responsible of this implementation.
- To plan and implement, in collaboration with local governments, the national large-scale activities.
- To mobilise the necessary resources especially those from foreign partners.

#### **The Role of NGO's and Religious Congregations on Community Development Affairs:**

- These shall assist, each in its field of specialisation the grassroots structures in conception, preparation implementation follow-up and evaluation community projects.
- Strengthening the capacities of local actors (CDC/APC, technicians, and CBO, etc..).
- To assist technically grassroots structures and impart to them new technologies with proven test of performance.

N.B: The international NGO's will rather make sub-contracts with local NGO's competent in the activities concerning the domains of intervention of those international ones.

**4.1.2. To set up means and mechanisms that allow proper functioning of grass-root structures in the framework of the community development.**

**4.1.2.1. Human resources.**

The success of this community development policy shall largely depend on the strengthening of the capacity of the leadership at the grass-root level.

It's for this reason that significant investment should be allocated to strengthening of their capacities so that they may assume, with confidence, their role as development coordinators.

The other actors in development should appreciate this role and supplement the efforts of the leaders to achieve the intended objectives instead of substituting them.

It is for this reason that a particular emphasis shall be put on their technical training, organisational and material support they require so that they may be able to take on the heavy responsibilities entrusted to them under the policy of decentralisation as Rwanda gets out of the old system which has characterised its administration for a long time.

The many problems currently faced by these administration structures would easily be solved by establishment of internal working regulations of the executive committees within the limits of the laws in force.

These internal working regulations (I.W.R) would include among other things the regularity of meetings, the persons responsible for taking minutes of the meetings, the agenda of meetings, the persons to whom the minutes copies must be given, the structure of financial reporting, mechanisms to resolve internal and external conflicts and their adoption and review of internal working regulation.

It would be shown in the internal regulation some motivations of the CDC/CPA. This will be done according to the means and ability of each district or urban area.

The real problem is that the money used in training the leaders would not be put to proper use simply because their term of office is short (2 years). It will change to 5 years. Mean while they must consider that:

- Those elected leaders are trained to train others.
- The trained persons should stay in the same area in order to influence it.

- The experience show that leaders who are well-trained and perform better in their society are likely (to be) re-elected. Indeed in all corners of the country it's true that the majority of elected leaders at grass-root level in March-April 2000 have attended many trainings from different institutions when representing different associations before elections.

In order to introduce to Rwandans the policy of decentralisation bearing in mind, that they are used to dictatorship, and have experienced genocide, it is necessary to envisage a progressive but sure appropriation. The process of decentralisation should be slowly but systematically carried out.

Sustainable development must be based on human resource training especially in the technical fields and on those who care for the national development including all members of the society beginning from the grassroots.

It appears that on national level, there is a problem of sustainable human resources management and imbalance distribution of the available human resources. All the qualified personnel can be found in urban areas where there is necessary infrastructure and they live relatively easy life.

The pilot projects have shown that grass-root leaders have not yet mastered their role in community and their interrelationship with other partners. For this reason they should be trained on their role as good leaders in the community and their relationship with other partners. To achieve this goal a permanent training centre must be established. In this centre, first of all non formal intensive literacy teaching shall be conducted for local authorities, women associations and young school drop outs who will be called upon to disseminate the new knowledge. From the grass-root structures, other actors in development must be trained in different fields to be able to help these levels to function properly.

In order to satisfy the training needs, there must be assessment of the necessary requirements in terms of topics to learn and the means of financing it.

Besides the basic structures, the other actors of development also need trainings in various domains for a good accompanying of the basic structures. This implies that it will be necessary to list out needs in training and to respond to them as possibilities will allow.

**4.1.2.1.1. Set up a program of identification of needs in training at all the levels (from ministries to districts, and urban area communities at the grassroots level included) and of training by taking into account priorities and available means.**

Gaps in training are quite obvious at the national level, but up to here no inventory of needs and their prioritisation was never done.

It is in this frame that it is proposed to the Ministry having the local administration in its attributions, in association with the Ministry having the public service in its attributions and the technical services of provinces, to lead quickly this inventory and establish the priorities.

It is from the results of this work, that a substantial program of training will be conceived.

Nevertheless, considering the experiences of the experimental projects, it already turns out that the main subjects of the intensification of the capacities on which the present community development policy can insist are presented in the table below:

Level	Subjects
Central level	Strategic planning, co-ordination of the collection, treatment and distribution of the data, improvement of technical capacities considering various technical ministries.
Local level	Role of grassroots structures, planning, collection, treatment and distribution of the data, studies on income generating projects, technical and organisational re-enforcement, development of human resources

The following strategies are to be used in the training:

**Learning by doing**

In respect in the national urgency to operate the national policy of decentralisation and considering the experiences lived by the current projects which show that the Rwandan population is very open and learns easily by doing, will be adopted at all the levels the system of " learning by doing ".

It will allow to spare time without sacrificing the quality of the interventions.

The experimental projects set up by the MINALOC and the other ministries show that the profitable population of these projects advances more quickly in the field of the community development which the non-beneficiaries and the results of these projects begin to make oily mark in the zone of the projects and except this one.

Projects of the kind form unmistakable didactic instruments and one should in the court and the middle term use it to base the policy of decentralisation generally and that of the community development in particular.

It would be necessary in the court and middle term to multiply projects of support for the decentralisation with a single presenter by district but as one goes along these presenters should disappear so that sustainable raise is assured by the beneficiaries and the permanent structures of development.

- Textbook of training in available;
- techniques of training of the adults "andragogie";
- training of farmer to farmer (farmer to farmer)
  
- well scheduled and well led meetings
- journeys of study
- Resort to experts in various domains
- collaboration between the public sector and the private sector
  
- privilege the training of the permanent administrative structures for reasons of durability

#### **4.1.2.1.2. Introduce an option on the reform of political, economic and social systems at the higher learning educational level**

The intensification of the human capacities generally and as regards the decentralisation in particular, being a continuous process, it is indicated implying in the national intellectuals there.

It is in this frame that is proposed the institution, at the level of the higher education, of the option on the reform of the political, economic and social systems. The experience of the country shows that when the intellectuals are reunited in a cause, it succeeds.

For stronger reason, this noble cause that is the decentralisation should make sure of their collaboration to put from his part all the chances of success. It will be in the same organised frame of the journeys of study in aid of an elite of the technical ministries in countries where the decentralisation gave results (positive and negative).

#### **4.1.2.1.3. Set up a permanent system of training on the civics, the decentralisation and the Community Development**

It is not a question of building a new centre but of identifying centres specialised in training as RIAM, UNR, the NGO, as regards training grouping together at the same moment several decentralised entities and specially the training of the trainers. After identification, these centres will be strengthened on base of needs and volume of the training.

Nevertheless, at the level of the local governments, it is envisaged that the sector is the focal point of the intensification of the human capacities to the base. It is necessary to provide every sector of a training centre in all the measure of the possible.

#### **4.1.2.2. Mechanisms of planning**

To make sure of the actual participation of the population in its development, this one should be involved in the planning which should be participative at all the levels.

##### **4.1.2.2.1. Set up and strengthen an appropriate system of planning from the base.**

The planning is the base of any development. An elaborated well plan implying all the actors is a security in the success of its execution.

A framework document of methodological tools will be stood out by the MINALOC in association with the other partners. This document should detail the contents of a good plan of community development as well as the best methodologies for the data collection, the elaboration, the execution, and the follow-up - evaluation of projects.

Only some partners use the participative methods in their activities of conception, data collection, elaboration, execution, follow-up and evaluation of their interventions. Initiatives in this sense are there and this policy is anxious to formalise the participative methods in the planning at all the levels.

In the planning, it will be necessary to face needs by considering at first the local potentialities but not to confine itself to it and to schedule even realistic interventions which exceed the local resources and which could make object of negotiation with financiers for supplementary resources.

The regional and national plans should have as base the plans of sectors, districts and urban areas: the superior rungs go every time compile, after a certain selection of the actions to plan, the plans of the previous rungs and to add at the same time the projects which are appropriate for them because of their scale.

The plan of the district and urban area should incorporate the plans of communities and large-scale projects of district. The plan should bring solutions, in the form of programs and of projects, of the problems considered priority. Districts are called to make strategic plans of at least 3 years, but plans which will be adapted according to circumstances and to evolution of the situation.

The plan will include four fields of activity:

- The improvement of the socio-economic services;
- The regional development and the environmental protection;
- The generative activities of incomes;
- Measures intended for the vulnerable.



The prioritisation of the investments is left with the discretion of the base but will turn, according to the principles of this community development policy, to projects where one more general public is concerned, creating more employment and/or generating more incomes.

The technicians and the other actors of the development should lavish all the same advices to the decision-makers of the base to open them more and allow them to decide well on their priorities.

For large-scale projects which require the competition of several actors (e.g. the organisation of a low fund needs technicians in rural genius, in environment and even in marketing of products), the technicians of district, urban area and province and the other actors of the development, each for the domain which concerns it, will play an important role in their conception.

But they have to every time make it with the concern to strengthen the structures of the base through the elected leaders. In this frame, horizontal special committees can be organised by the local government around a project or around a technical subject to be deepened. These types of committees are consultative and have no governmental stamp.

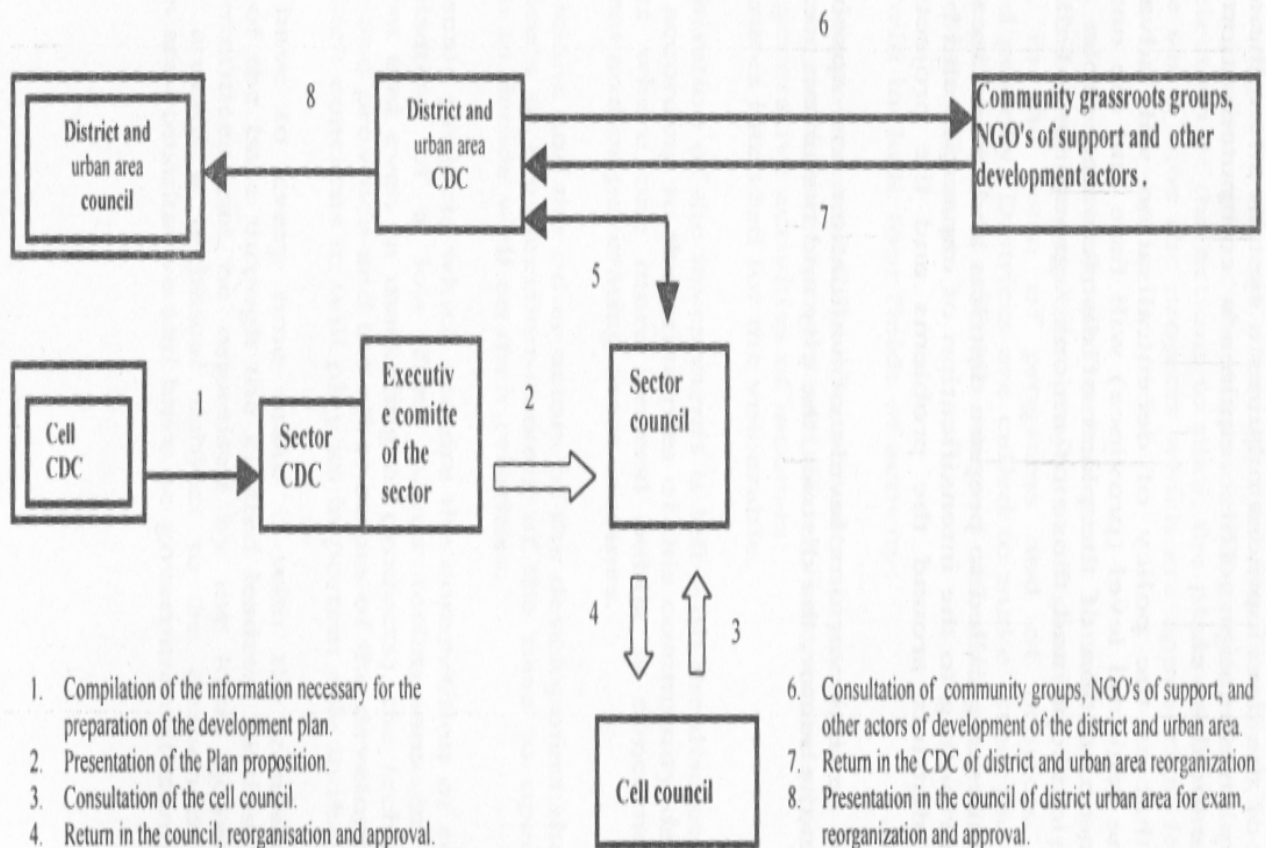
A good planning of the development requires a system strengthened by data collection and by information. This requires a computerisation from the central level to the local level.

Let us indicate that as the policy of decentralisation will advance in its various stages, the regional level (province) will fade and the national plan will allow the co-ordination of the plans of districts and urban areas with projects national in scope and those of unions groupings of districts and urban areas.

The current provinces are called to prepare districts and urban areas for more autonomy by contributing to the intensification of capacities and by arousing the grouping of districts around the problems and the projects bringing common solutions.

The figure below depicts various levels of validation and approval of the development plan of the sector, the district, the city and the urban area:

### Validation and Approval of the development plan of the Sector, the district, and the urban area.



1. Compilation of the information necessary for the preparation of the development plan.
2. Presentation of the Plan proposition.
3. Consultation of the cell council.
4. Return in the council, reorganisation and approval.
5. Presentation for agreement, consolidation and its integration in the development plan of the district and urban area by the CDC of district and urban area.

6. Consultation of community groups, NGO's of support, and other actors of development of the district and urban area.
7. Return in the CDC of district and urban area reorganization
8. Presentation in the council of district urban area for exam, reorganization and approval.

In this progress, the other actors of the development support, advise and accompany the CDC at all the levels.

N. B. With regards to a city with districts and urban areas, the development plan has to be the compilation of its districts or urban areas plans added to its own broad-scope projects and interventions

#### **4.2. Encouraging emergence of organizational dynamic**

One of the results expected from a good community development policy is the emergence of many associations which allow the population to work together to resolve the same identified problems. This will aim, as already underlined, towards an education of the population in the culture to work together which, no doubt, is going to help in the reconciliation of the Rwandan people.

It is important to strengthen the community capital which was disrupted with the genocide of 1994. The community capital indicates the capacity of the population to be together worked to resolve common problems in the mutual respect, the tolerance and the will to exchange experiences.

It was proved that a regular and fruitful work in groups occupies the population and creates links of interdependence, so pushing aside the conflicts and assuring a reconciliation actually.

It was lately noticed that actors of the development require from the population to group together to supply him different services (granting sheet steels for the constructions, the granting of small credits, ...). This way of doing can encourage short-lived groupings.

It is suggested arousing and encouraging the emergence of the community basic groups from the common problems identified together: the local government goes to this sense to relieve the conditions of approval of the groupings and to foresee certain privileges as exemptions from certain taxes.

This will assure the constitution of the strong groupings / associations, which can turn to various specializations for, in the long run, win even in the calls for tender of the services to be returned to the community.

The dilemma which ensues from it is that the local government should also allow the competition through the rules of the market opened to the private sector and choose the quality.

The local governments are going, considering the local conditions, to see how giving subsidies or credits, or making calls for tender according to fields of activity and to situations of poverty prevailing in the various areas of their territory ( urban or rural environment).

It is noticed that more than one rises of the cell towards the district or the urban area, the number of "farmers", members of the administrative structures decreases to be replaced by the civil servants. Generally the teachers form the category of the civil servants the most represented in the administrative

structures of cell and sector and their weak availability was sometimes questioned.

The presence of the civil servants is not to be discouraged. However it takes there place to worry because in certain CDC the weak representativeness of the farmers, risks to forget the priorities of these last ones. Where from the importance of an intensification of the peasant organisations and the other constituents of the society so that these can defend the specific interests of the persons which compose them. These organizations can be of all kinds: cooperatives, mutual trusts, associations, grouping called to become cooperatives...

This strategy of promotion of the groupings is to be privileged but while holding specially in consideration the individuals who have projects of a certain scale, which return services to the general public especially as regards the market of the products of small projects introduced to the base.

#### **4.3. Setting up a network for collection and circulation of functional necessary information for development of the rural environment.**

In several considerations, the collection and the traffic of the information in "rural areas will play a driving role in the speed of the community development. Indeed, many countrymen do not succeed in evolving due to the lack of information. As an example, one can quote the lack of information concerning the interesting places (in the point of view of prices and possible exchanges) where to sell the products.

The implementation of a kiosk of information at the level of every sector is proposed. All the possible information would be collected by privileging the data there which interest the population for its fight against the poverty.

It is in this sense that the various technicians and the experts who pass or who live in the environment are called to feed the kiosk with messages within the reach of the population.

The basic structures, in this particular case, the in-charge of the information within the executive committee would take care of spreading the information at the level of all the sectors and to collect the feed-back.

A successful system of data base should be created and the collection, the treatment and the distribution of the data of the socio-economic development will also pass by the canal above.

At the same time as this intensification of capacities at all the levels, it will be established, at the level of the districts or urban areas of the measures inciting the human resources qualified to settle down in rural areas. It would be about attractive salaries and about basic infrastructures for the improvement of the conditions of life in the local governments so attracting the human resources towards these last ones and fighting simultaneously against the rural exodus by fixing the population in the rural environment for a sustainable development.

#### **4.4. Increase of the production through the improvement of the productivity of the resources.**

The various technical Ministries go to their sector-based policies to aim at the sensitive increase of the national production through the improvement of the productivity of the resources. Indeed, the national resources are small, their extension not being possible, the obliged way is the intensification to produce with little of available resources a lot.

As example: the agriculture occupies more than 90% of the population and practically there are no means of envisaging the increase of the agricultural production by the colonisation of new lands, But rather the logical orientation is the improvement of the productivity of the work (  $Y/L$ ) through the improvement of the productivity of the ground (  $Y/A$ ) because the ration of land by man(  $A/L$ ) is in decline given the increase of the population which is 3.6%.

A series of strategic actions are envisaged to make sure of the improvement of this productivity:

- Leading a research and an applied search ending in the efficient use of the inputs and an appropriate technology;
- Identification and development of other marketing activities especially non-agricultural farming activities and carrying out an education campaign aimed at changing the feeding habits of the population;
- Encouraging initiatives that will ensure market for local products:
- Protection of environment in all activities undertaken.

##### **4.4.1. Leading a research and an applied research ending in the efficient use of the inputs and an appropriate technology.**

The development of the research is an indispensable condition to make sure that the popularised technological packages are the best and to assure their regular revision. The country should grant efforts to invest in the research which must for more efficiency be subsidised by the Central Government.

There are technologies developed already here and which proved their performances: the research-development for such technologies with and in the exploitations of the beneficiaries is to be encouraged for the development of the Rwandans

Besides the agriculture, technologies developing extra-agricultural activities (not farm activities) are to be encouraged to decrease the pressure on the ground and diversify profitable speculations.

It is interesting to increase professional schools directed to technologies having proved their performance. These schools have to enlist especially a part of the 93% of the pupils who do not succeed in entering the high school.

#### **4.4.2 Identification and development of other marketing activities especially non-agricultural farming activities and carrying out an education campaign aimed at changing the feeding habits of the population**

The subsistence nature of production that has characterised this country shall lead us to the risk of not being exposed to the open competitive markets. It is important that Rwandese get used to producing for markets. It is this type of production that will lead us to the market economy. The country will encourage such policy.

In addition to the local markets, our representatives in other countries shall concentrate their efforts in the search for the markets for other products other than along side coffee, honey and tea which should sell favourably such as, flowers, mushrooms, avocado fruit and others where the country has comparative advantages. In that way, the activities shall be more profitable and will contribute to improved welfare of the population.

With this arrangement the production activities shall be enhanced and this will lead to the welfare of the population. It should be born in mind that, land as a factor of production, is always under pressure and increasingly becoming rare and rare. However, we should move towards intensive production to reduce pressure of land and yet increase production, by growing mushroom and keeping bees.

Along side these new innovations, food consumption habits for Rwandans need to change, to include consumption of those products which are hitherto unusual to their consumption habits, but which have high nutritive-value. There is need to launch a sensitisation program aimed at changing the feeding habits for Rwandans in order to improve their nutritional status and create a sustainable market for the newly innovated products.

#### **4.4.3. Encouraging initiatives that will ensure market for local products.**

Following the examples of the farm-products industries, which buy local agricultural products (passion fruit; pineapples) and turn them into better consumable products with higher added values (Juice), it is very important that the local governments put a particular effort to projects assuring the market and so the local promotion of the production. They must be, in this sense, more encouraged by the committees of selection of the projects to be financed.

The national policy of decentralisation puts in place urban decentralised administration such as cities, urban areas and trading centres. These urban administration entities should be encouraged to benefit from rural the district products. In turn, they should facilitate in the procurement of inputs and other manufactured products. Contracts between those two entities must be concluded. The spontaneous of multiple trading centres and mushrooming of towns shall be an indication of development and an assurance to halt the rural exodus.

#### **4.4.4. Protection of environment in all activities undertaken**

With the massive return of Rwandese refugees in 1996, the environment was degraded in an unmeasurable manner. A lot of planted trees were cut and, mainly, erosions and the repeated tilling without inputs degraded the soils. Natural forests are disappearing due to invasion of population in search of land for cultivation.

Our country is facing many negative impacts (lack of rain, fading of the evergreen nature and rare species of animals like gorillas, etc). The activities to be conducted must always take into account the environment aspect in order to ensure sustainable productivity.

It is in this respect for example, that gradually, an alternative source of energy should be found (Solar, Biogas, small-scale hydroelectric power) to replace the traditional sources of energy (firewood, petroleum, products, ...) In order to promote this environment protection there should be need to enact a land law to ensure the ownership of the land by the population, thereby encouraging sustainable investment such as a forestation.

#### **4.5. Setting up a community development fund and insuring rigorous financial management including the profitable population for more transparency.**

Concerning the financial resources, the policy of fiscal decentralisation is based on the extension of the base of the appropriate local government resources by creating a mechanism of tax products sharing or surcharge, by giving more power to districts as regards the establishment of the tax rates, licenses and royalties at the local level, by creating a land tax and finally by giving to communities the powers to recover the taxes.

An important point concerns the moment of collection of these taxes: it should coincide with the period of production of the population.

In the long term the system of financing will base on a certain shape of appeal to the loan which will allow to the local governments to have access to sufficient resources for the investments. At the moment, this system is not practised by the Rwandan districts but it is important to introduce it for a durable financing of the development.

The fiscal decentralisation policy shows how to strengthen the systems of management and financial control using the following strategic actions:

- Implementation of a strong system of audit and inspection for local governments.
- Implementation of a system of budgeting based on a program or a service for communes.
- Strengthening the accounting system at the local governments levels and improving their capacity in the subject and verifying if the systems conform to their national accounting standards by preparing practical accounting standard manuals.

- Establish a legal structure and practical procedures that allow the public access to financial information of the local governments.

The guideline for this system of management is to involve people through their leaders (CDC, APC), in the management of the funds earmarked for the development.

Civic and respect for public property shall be the topics on which particular attention shall be placed during training in capacity building, but the bitter experience of misappropriation of funds and corruption which the country witnessed during the long period of centralisation will necessitate putting in place clear mechanism of management that will help get rid of or minimise the losses. A system of internal and external audit will be set up and exploited to make sure that these mechanisms are followed.

The ministry responsible for local government shall elaborate and disseminate countrywide the rules and procedures of management at local governments levels.

The community fund for development is a fund conceived at the local governments level, by which, in a direct or indirect way, all the capital intended for the development will cross to assure some efficiency and to facilitate the CDCs coordination and their interventions.

The Community Development Funds (FDC) allocated to the various indicated experimental projects proved that the leaders of the base can indeed manage capital at their disposal provided that clear mechanisms of management are set reserving them from manipulating the money while giving them a decision-making power onto the use of the fund and foreseeing a control of the population.

This encouraging experience pleads for its generalisation in all the districts of the country but it will be necessary that districts, urban areas and cities take into account the running costs of these basic structures (CPA and CDC) in their operating budgets.

The sources of funding for the community development fund shall include: The locally generated revenues earmarked for the development, intergovernmental grant transfers, some donations and various loans (some donors, NGO's and twinning arrangements). Because the fiscal decentralisation policy provides a channel through which contributions from donors reach the local communities by use of national common development fund.

The source of funding for this national common development fund shall be the transfers from the central government revenues, which shall be not less than 10% of national collections and support from donors. Intergovernmental committees (central and local) shall determine the working mechanisms of the community development fund with the view to making fair allocations of funds to different towns, municipalities and districts in the country. However, this allocation should take into consideration the following points:



- The number and sizes of district or urban area development projects and the level of poverty in the district or urban area.
- A minimum amount of funds to be allocated to each district or urban area.
- The population of each district or urban area.

The regions already underlined relating to the co-ordination of development activities by the community development committees the CDF (Community Development Fund) should be unique for each district and all community development financial support shall be channeled to this fund either directly and managed by the CDC or indirectly and entered into the books of accounts for the CDC in case the donor decides to manage it himself or delegates it to its management. In considering this precise case, the funds should be recorded in the books of the district development budget. In such a case, the donations shall have to be included in the development budget of the district or the urban area.

The conditions relative to the decentralized cooperation will also pass by the FCD but can be directed only to activities drawn within the framework of the cooperation.

In order to adjust themselves to the spirit of decentralised governance the different donors of funds should be encouraged to gradually move away from the form of assistance whose objectives and processes are externally determined and whose projects are implemented using the system of direct implementation (DEX) so as to adopt an approach which puts emphasis on participation and capacity building and management by the national implementers (NEX).

It should be mentioned that the CDC is not directly involved in the management and implementation of projects and investments, which are financed by the community development fund. All projects are managed and implemented by the local associations or grassroots community groups (CBO) and/or commercial enterprises.

The sub-committee of CDC responsible for the co-ordination of projects, shall ensure the quality of projects with respect to National Tender Board (NTB) standards during the award of tenders. The sub-committee on CDC in charge of finance shall ensure the transfer of funds to the projects implemented by the community groups as well as the large scale ones at district, urban area and city level.

However, the executive committee shall directly manage inter-district projects through their administrative machinery of local government in collaboration with concerned district, urban area or city without forgetting to inform the CDC which must technically co-ordinate or develop activities concerning the district, the urban area or the city.

Due to the existence of many actors and different large-scale projects, the CDF shall be sub-divided into various accounts. This will facilitate implementation, follow-up, supervision and audit. The district, urban area and city council has the responsibility to allocate the development fund in accordance with the priorities of communal projects forwarded from the grassroots level (cells and sectors) and those of large scale of district, urban area and city projects.

For reasons of transparency, any cash outflow should be requisitioned beforehand by the CDC.

In the same regard of transparency, invitations to tender should follow rules and requirements of National Tender Board, which should even, be decentralised to imply more the beneficiaries, and the private sector.

The presidents of sub-commissions of the CDC district or city have to make party of the sub-commission asked to prepare technically the files of granting of markets.

All the accounting will be assured by the only bookkeeper of the district, urban area or city (the current projects have each an appropriate bookkeeper and that does not strengthen the local government). It would be necessary that this bookkeeper be formed as a consequence.

At present the budgets intended for the development of local governments and which result from donors are parallel (do not enter the municipal budget) in the budget of development of the district. This state of affairs should not last and all the budgets assigned to the development should be known and taken into account in the plans.

#### **4.6. Searching and setting up a system of micro financing adopted to the realities of Rwanda.**

The system of micro-financing is considered as a tool of development in the context of poverty reduction. For a period of thirty years, the populations in the developing countries have been undertaking income-generating activities relating to self-employment for survival and improvement of their living conditions.

In fact, the self-employment sector is the only possible available means for ensuring revenue generation. This includes a number of revenue generating activities ranging from selling agricultural produce along the streets, haircutting, petty trade, provision of formal services like carpentry, bread making and motor vehicle repair garages etc.

Micro-enterprises are mainly family owned. Their activities are financed by their own capital. They operate on a day-to-day basis and they have very little or no money. The materials used are either inadequate or second hand and they use non qualified. At the same time, the market situation in which they operate is the most primitive without any regulations. The flow of merchandise is complicated by lack of infrastructure.

The micro-financing sector reflects the reaction of the poor population faced with the situation of indebtedness and the economic crisis experienced by the most developing countries like Rwanda. Owing to its extraordinary increased importance (in some developing countries 60-70% owe their living to this sector) it has regarded for the last ten years or so as a development catalyst.

A micro project needs micro financing for its running and investment cost coverage. One of the most important constraints that face micro projects is lack of access to financial resources. The problem is that the poor people do not have collateral security to offer. The amount needed to finance their activities is so low that it does not attract financing banks. The small entrepreneur is consequently excluded from benefiting from bank loans. The system of

extension of bank loans should be designed in the context of the struggle against poverty, which Rwanda experiences because 69% the population lives below poverty line.

#### **4.6.1. Set up a frame of dialogue to analyze in depth the weaknesses of the Rwandan financial system to propose a decentralised community financial system.**

The rural area in Rwanda is demonetised because of the weaknesses existing in the system of finance. The weaknesses of the finance system in Rwanda can generally be traced in its incapacity to collect the savings of the rural population and extend loans to finance a number of agricultural and livestock farming projects initiated by the working population in the villages out side Kigali.

Right away one can mention the following weakness:

- The centralisation of financing institutions in Kigali far away from the rural population;
- Lack of collateral security on the parts of the population to mortgage to the banks;
- The Bank " Populaires" collect rural savings but never re-invest those savings in production at the rural level where members of various communities are found.
- The absence of financial institutions near the population creates lack of confidence in them.
- Lack of sufficient resources leading to insufficiency in capacity.
- The working mechanisms of commercial banks and bank "Populaires" are alien, not easy to understand by the majority population and are inappropriate to the system of local culture especially with regard to the presentation of projects that are acceptable to the banks.
- The existence of a finance system that is not deeply rooted in the rural population and rural zones where there is a lot of potentialities for production and consumption.
- A weak capacity for loan recovery due to high costs related to the follow-up covering long distances.
- The banking operations that are dependent on coffee and tea, expose these banking institutions to the dangers of fluctuations in international markets for these products.
- The difficulties of adaptability on the part of the local economic agents to repay bank loans, because population perceives those loans as either donation or non-refundable moneys.

In short, there are real difficulties in accessing to bank loans due to the existing deficiencies such as the geographical location (institutions allocated in Kigali), socio-cultural (mechanism of loan processing which is not adopted to the culture of population, the concept of collateral security, the procedure of presenting projects that are considered bankable, etc.). the economic deficiencies (low income or not monetary income).

There is hence a need of reducing these distances to have nearness financial institutions and based on the confidence which accompanies the process of decentralization.

The major challenges of micro-financing institutions shall include setting up a system that enables a big number of micro entrepreneurs who are currently in accessible to have access to financial services and in a sustainable manner. There must be put in place forum of experts in micro financing to study in depth the weaknesses and other issues with view to proposing a kind of micro-financing that will be suitable to decentralisation.

There should be put in place a forum comprising associations, which are involved in micro financing, field organisers and support organisations which shall be responsible for putting in place decentralised system of financing that is suitable to the poor lot in Rwanda.

The decentralised system of financing is an intermediate sector between the informal sector (tontines, mobile lenders individual lenders, solidarity fund, saving and credit, etc.) and the formal sector (commercial banks, specialised banks, etc). This intermediary sector includes the saving and credit associations, lending funds established at village levels, savings and credit co-operatives known as COOPEC, the system of group lending funds and projects which specialise in money lending.

For more durability, the forum should propose a solution of micro-financing which implies closely the basic structures generally and in particular the CDC which are the organs of coordination of the community development.

After the forum conducts the research, the MINALOC in collaboration with the National Bank (BNR) will design a decentralised, community based system of financing which, in collaboration with the existing banks, will ensure that loans with affordable conditions shall be extended to the micro-entrepreneurs and the rural poor.

This system shall be tried first in the pilot districts and provinces preferably those which are hosting the projects and are near towns for purposes of ensuring the marketing of the products of the financial projects and increasing the chances of success.

Straightaway two orientations turn out plausible and will be examined by the forum:

- The deep reorganization of the popular banks for needs of the decentralized community financial system;
- The creation of a local bank at relatively high administrative levels (District, urban area, city and province). This bank would group together the current tontines (Ibimina) and to introduce in grassroots structures.

Two orientations will privilege the micro-credits to the tontines, the groupings and the cooperatives which would take care of broadcasting through their members and guarantee the refunds in support of the CDC.

While awaiting the results from those trials, which will serve as examples, an arrangement shall be made with «Banque Populaire» to apply the method used in pilot projects: The loanable funds earmarked for the population and managed by CDC will be channeled through the «Banque Populaire» with the following charges required to cover the banking operations:

1% of the amount transferred from the union of popular banks to the local bank.

1% of the amount transferred from the project account to the client account. 1% of the repaid amount by the client is banked on the project account within the local bank.

A contract should be signed between the union of popular banks and ministry of local government and social affairs in order to ensure countryside operation.

## **5. *Complementary Actions To The Community Development Policy.***

### **5.1. Setting up a legal framework relating to the community development policy.**

This policy absolutely involves changes in the present legal framework currently in place. Here below are the main orientations to guide the legislators:

- Updating of the ministerial directive concerning the composition and functioning of CDCs
- Institutionalisation and functioning of the CDF (Community Development Fund)
- Institutionalisation and functioning of the common fund for development.
- Putting in place a forum and a research on a decentralised community based system of financing.

### **5.2. Harmonisation of the sectoral policies with the community development policy.**

As stipulated in the national decentralisation policy, the different technical Ministries are responsible for the elaboration of sectoral policies, specification of the quality standards that must be followed and ensuring that they are respected. Besides this regulatory role, the technical Ministries shall act as "facilitators" in the development of human resources, the transfer of technology to the local governments, the grassroots communities and the private sector. Technical Ministries may also, though rarely, in a subsidiary manner provide some services in the event, the local government, grassroots communities and the private sector are not in position to do so.

The sector policies shall be conceived or reviewed in order to be in harmony with this community development policy. This policy is regarded as a major guideline for the different sectoral policies towards an effective and sustainable participation of the population in its own development. Moreover these sectoral policies shall take into account the experience and information from the grassroots level.